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C O N F I D E N T I A L JERUSALEM 001832

SIPDIS

NEA/IPA FOR GOLDBERGER/LENTZ; EEB/CIP/BA FOR GIBBS; PRM FOR
PRM/ANE; NSC FOR PASCUAL; PLEASE PASS TO USAID FOR
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E.O. 12958: DECL: 10/02/2013
TAGS: [ECPS](#) [ECON](#) [BEXP](#) [EINV](#) [KWBG](#) [IS](#)
SUBJECT: PALESTINIAN TELECOM: PA WANTS WIMAX FREQUENCY

REF: JERUSALEM 1795

Classified By: Consul General Jake Walles, Reasons 1.4 (b) and (d)

[11](#). (C) Summary: In May, the PA formally requested GOI allocation of frequency spectrum that would allow the deployment of broadband WiMax internet capabilities in the West Bank. PA telecom contacts say that WiMax technology will enhance competition in the telecom sector and produce revenue for the PA. President Abbas' Special Advisor on Telecom, Sabri Saidam, argues that the PA has a right to required frequencies under the Interim Agreement and should be "less timid" in requesting frequencies from the GOI. Private sector opinions on WiMax are mixed: current broadband provider PalTel deems WiMax "unnecessary," while numerous smaller companies see it as their gateway to the broadband market. End summary.

PA waits for 3.5 GHz frequency

[12](#). (C) PA Deputy Telecom Minister Zuhairi told Econoff on September 27 that the PA formally requested a 3.5 GHz frequency allocation from the GOI during a May 2008 session of the Joint Technical Committee (JTC). He said the 3.5 GHz frequency would be used to establish WiMax capabilities in the West Bank and that the PA will issue a tender for frequency access once it is allocated. He said that the GOI has not yet responded officially at the JTC to the frequency request. He underscored that the wireless telecommunications sector has strong growth potential in the West Bank/Gaza, as such technology is not obstructed by checkpoints and roadblocks.

PA "has a right" to required frequencies

[13](#). (C) President Abbas' Special Advisor on Telecommunications Sabri Saidam told Econoff that WiMax in the West Bank is a priority of President Abbas. Saidam - a former Minister of Telecom - underscored that the PA has a right to required frequencies under the Interim Agreement. He said that the PA and the international community have been "far too timid in requesting frequencies for Palestinian markets" and that increased competition in the telecom sector will produce much need revenue for the PA. Saidam said that the Palestinian telecom sector needs WiMax to create better, less costly, communication services for Palestinian businesses and consumers.

WiMax likely to increase broadband competition

[14](#). (C) PADICO subsidiary PalTel is the only current broadband provider in the West Bank and Gaza. PalTel

Technical Director Mustafa Deeb told Econoff on September 27 that there is no demand for WiMax in the West Bank, as PalTel already provides good broadband services through its extensive copper wire network. "It's just not necessary," said Deeb.

15. (C) BCI Communications and Advance Technology CEO Said Baransi said that BCI plans to bid on the 3.5 GHz frequency tender, as his is the only licensed Palestinian company that has infrastructure already in place to operate a WiMax network. He said that WiMax technology would allow for greater competition in the broadband service sector and would be a gateway to better broadband competition in the West Bank. (Note: BCI is a recipient of a USTDA grant and operates a pilot program for small-scale, private WiMax networks in Ramallah, Bethlehem, and Hebron. Baransi said that BCI already uses the Israeli-controlled 3.5 GHz frequency without PA involvement and at the quiet acquiescence of the GOI. End note.)

16. (C) Wataniya Palestine CEO Allan Richardson told Econoff on September 30 that access to the 3.5 GHz frequency would allow his company to offer "third generation" services -i.e. combined SMS, email, and internet capabilities- which are not supported in Wataniya's current frequency allocations (Ref).

WALLES